

## **7. Statement of the Management Board of Stalexport Autostrady on the Company's corporate governance rules\***

### **7.1. Introduction**

Performing the duty stipulated in § 29(5) of the GPW Regulations and the resolution No. 1013/2007 of the GPW's Management Board of 11 December 2007 (regarding the scope and the structure of the report on the application of the corporate governance rules by listed companies) and the resolution No. 718/2009 of GPW's Management Board of 16 December 2009 (regarding the submission of the corporate governance reports by listed companies), the Management Board of Stalexport Autostrady publishes this statement on the Company's application of the corporate governance rules specified in "Good Practices of the Companies Listed on GPW" in the period from 1 January 2013 to the date of publishing the annual report for 2013.

### **7.2. Corporate governance rules the Company is subject to and its public availability**

The Management Board of Stalexport Autostrady declares that the corporate governance rules the Company is subject to are publicly available on the following websites:

- the website of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl));
- the website of Warsaw Stock Exchange ([www.corp-gov.gpw.pl](http://www.corp-gov.gpw.pl));
- the website of Stowarzyszenie Emitentów Giełdowych [Polish Association of Stock Exchange Issuers] ([www.seg.org.pl](http://www.seg.org.pl)).

### **7.3. Information on the scope in which the Company renounced the provisions of the above-mentioned corporate governance rules, identification of these provisions and explanation of the reasons for this renouncement**

Pursuant to the resolution No. 1014/2007 of the GPW's Management Board of 11 December 2007 regarding partial exemption from the obligation to publish the report on the corporate governance rules applicable to the main market of GPW, the Management Board of Stalexport Autostrady, adhering to the rules specified in the Good Practices of the Companies Listed on GPW (DPSN), declares that in 2013 the Company did not broadcast the GMs over the Internet, but it recorded the GMs and published the recordings on its website. Furthermore, the Company notified with delay, i.e. on 11 February 2014, of the number of women and men being members of the Management Board and Supervisory Board of Stalexport Autostrady in two last years, as specified in DPSN (Section II (1)(2a)).

### **7.4. Description of the basic attributes of the Company's systems of internal control and risk management as regards drawing up of the unconsolidated and consolidated financial statements**

The Management Board of Stalexport Autostrady is responsible for the system of internal control and its effectiveness. The system of internal control and risk management as regards drawing up of the financial statements involves the procedures for drawing up and approving the financial statements in force in Stalexport Autostrady. The system makes it possible to monitor the liabilities and to control the costs and the achieved results on the date-to-date basis. The financial data which are the basis for the financial statements and periodic reports come from the accounting and financial system IMPULS into which the documents are entered in line with the Company's accounting policy based on the International Accounting Standards.

The financial statements are drawn up by the financial and accounting staff under the control of the Company's Chief Accountant and then verified by the Vice-president of the Management Board and CFO in cooperation with the Finance Management Director and their final wording is approved by the Management Board in a resolution.

**\* This statement is a part of the Management Board’s report on performance of Stalexport Autostrady S.A. and the Capital Group of Stalexport Autostrady S.A. in 2013**

The financial statements approved by the Management Board are verified by an independent auditor (chartered accountant) appointed by the Supervisory Board of the Company. Then, pursuant to § 18(2)(1) of the Company’s Statutes, the Supervisory Board – following the recommendation of the Audit Committee, each year verifies whether the audited financial statements of the Company and the Group are consistent with the books and documents and whether they reflect the real situation, and notifies the shareholders of the results of this verification in its annual report.

The Company systematically monitors changes required under external laws and regulations concerning the stock exchange reporting requirements and it takes steps to implement them in advance.

**7.5. Shareholders holding directly or indirectly significant blocks of shares and the number of shares held by these shareholders, their percentage share in the share capital, the number of votes related to these shares and their percentage share in the total number of votes at the General Meeting of the Company**

The shareholders holding – according to the best knowledge of the Company – at least 5% of the total number of votes at the Stalexport Autostrady’s GM as at 31 December 2013 and as the date of this Report are listed in the table below.

**Table 7 List of Stalexport Autostrady’s shareholders holding significant blocks of the Company’s shares (as at 31 December 2013 and as at the date of this Report)**

Company name	Number of ordinary bearer shares [units]	Share in share capital [%]	Number of votes at GM [units]	Share in the total number of votes at GM [%]
ASPI	149,923,463	60.63 %	149,923,463	60.63 %
ALTUS TFI S.A.	12,679,263	5.13 %	12,679,263	5.13 %

Source: internal analysis

**7.6. Holders of any shares giving the special control rights and description of these rights**

No shares of Stalexport Autostrady provide shareholders with the special control rights towards the Company.

**7.7. Information on all limitations regarding exercising the voting right, such as limitation of exercising the voting right by the holders of a specified part or number of votes, time limitations regarding exercising the voting rights or provisions under which, with the cooperation of the company, the capital rights related to the securities are separated from the ownership of the securities**

The shares of Stalexport Autostrady are not subject to any limitations as far as exercising the right to vote related to the shares is concerned.

**7.8. Information on all limitations regarding transferring the ownership rights to the Company’s securities**

The shares of Stalexport Autostrady are not subject to any limitations as far as the transferring of the ownership rights is concerned.

**7.9. Description of the rules of appointing and recalling of the managing persons and their rights, in particular the right to decide on the issuance or buy out of shares**

Pursuant to § 10 of the Statutes of Stalexport Autostrady, the Management Board of the Company is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board and other members of the Management Board are appointed by the Supervisory Board at the motion of the President of the Management Board.

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The rights of the Management Board are specified in the Statutes of the Company, Regulations of the Management Board issued on the basis of these Statutes, Polish Code of Commercial Partnerships and Companies and other generally applicable laws. The Statutes of the Company and the Regulations of the Management Board form enclosures to this annual report (**Enclosures No. 1 and No. 2**) and are also available on the corporate website of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

**7.10. Description of the rules of amending the Statutes or the Articles of Association of the Company**

The Statutes of the Company shall be amended as specified in the Polish Code of Commercial Partnerships and Companies. The Statutes do not stipulate otherwise in this respect, except for § 5(2) which concerns material change of the objects of the Company. In such a case, the Statutes do not stipulate the necessity to buy out the shareholders that do not agree on the amendment.

**7.11. The General Meeting's rules of action and its basic powers and the description of the rights of shareholders and the way of exercising these rights, in particular the rules stipulated in the Regulations of the General Meeting if such Regulations were approved, provided that the information in this respect does not result directly from the law**

The General Meetings of Stalexport Autostrady are held in line with the rules stipulated in the Polish Code of Commercial Partnerships and Companies, the Statutes and the Regulations of the General Meeting, and these rules do not differ from the rules which are applied by other companies listed on GPW. In particular, apart from the shareholders, the members of the Management Board and the Supervisory Board of the Company as well as the guests, including experts invited by the body convening the General Meeting, may attend the General Meeting. A representative of the auditor of the Company attends the General Meetings whose agenda comprises financial matters of the Company and gives explanations during such Meetings.

GMs are convened in the manner and according to the rules stipulated in the commonly binding regulations. It means that the announcement on convening a General Meeting is made in the current report and published at the website of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)) not later than 26 days before the date of the General Meeting.

The shareholders that hold the shares of Stalexport Autostrady on the 16th day before the date of the General Meeting, which is the record date, are entitled to take part in the General Meeting. The basis for permitting a shareholder to attend the General Meeting is putting a given shareholder on the list made available to the Company by Krajowy Depozyt Papierów Wartościowych S.A. [National Depository of Securities] (KDPW) not later than one week before the date of the General Meeting.

The General Meetings are held in the Company's registered office and the detailed rules of its debate are specified in the Regulations of the General Meeting of Stalexport Autostrady adopted on 27 November 2002. The currently binding text of the Regulations of the General Meeting takes into account the amendments introduced in 2004, 2005, 2006 and 2010, and forms **Enclosure No. 3** to this Report. It is also available on the corporate website of Stalexport Autostrady. The amendments introduced in 2010 take into account the new rules for the organisation of the General Meetings of public (listed) joint stock companies, which were introduced on 3 August 2009 by amending the Polish Code of Commercial Partnerships and Companies of 5 December 2008 (Dz.U. of 2009, No. 2, item 28).

The above-mentioned Regulations specify in particular the scope of rights of shareholders (in relation to the most important right that is exercised by them, i.e. participation in the General Meeting) and the way these rights are exercised, the rules of appointing the Chairman of the General Meeting, the tasks of the Chairman of the General Meeting and his duties, the rules of appointing members of the Returning Committee and its duties. In practice, the Returning Committee is not appointed according to the decision of the General Meeting,

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because the voting is carried out via a computer system of casting and counting the votes, and the printed results of voting are signed by the Chairman of the General Meeting pursuant to § 10a of the Regulations of the General Meetings.

Pursuant to § 24 of the Company's Statutes, the resolutions of the General Meeting are required in particular in the case of:

- 1) approval, upon review, of the Management Board's Report on the Company's Activities and the financial statements for the previous financial year;
- 2) distribution of profit/covering losses;
- 3) acknowledgement of the fulfilment of duties by members of the Management Board and members of the Supervisory Board;
- 4) disposal and lease of the enterprise or its organised part and creating of a limited right in rem over them;
- 5) the issue of convertible bonds or senior bonds;
- 6) review and approval of the financial statements of Stalexport Autostrady Group;
- 7) amendment to the Company's Statutes, including the objects of the Company, share capital increase or decrease and redemption of shares;
- 8) material change of the objects of the Company;
- 9) dissolution and liquidation of the Company;
- 10) Company's merger, demerger and transformation;
- 11) appointing members of the Supervisory Board after their number has been determined for a given term of office and recalling these members of the Supervisory Board;
- 12) determining the remuneration rules for the appointed members of the Supervisory Board.

**7.12. The composition and its changes which took place in the last financial year and the description of the activity of the bodies managing, supervising or administering the Company and their committees**

**(i) Management Board**

Pursuant to § 10 of the Company's Statutes, the Management Board is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board and other members of the Management Board are appointed by the Supervisory Board at the motion of the President of the Management Board. Joint term of office of the Management Board's members lasts three successive years and their mandates expire on the day of holding the GM approving the financial statements for the last full financial year of performing the function of the Management Board's member.

In the reporting period, the composition of the Management Board didn't change and it was as follows:

1. Emil Wąsacz – President of the Management Board,
2. Mariusz Serwa – Vice-president of the Management Board.

**(ii) Supervisory Board**

Pursuant to § 14 of the Company's Statutes, the Supervisory Board is composed of 5 to 9 persons appointed for the joint term of office of three years. The General Management appoints and recalls members of Supervisory Board having first determined their number for a given term of office.

In the resolution No. 22, the General Meeting on 30 March 2010 decided that Stalexport Autostrady's Supervisory Board of the 7th term of office (2010-2012) shall be composed of eight members. Then, the General Meeting on 22 December 2010 in the resolution No. 3 and the Ordinary General Meeting on 4 March

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2012 in the resolution No. 19 decided that the Supervisory Board of the 7th term of office (2010-2012) shall be composed of seven members.

Because of the end of the 7th term of office of the Supervisory Board, on 3 April 2013, the General Meeting (in the Resolution No. 21) decided that Stalexport Autostrady's Supervisory Board of the 8th term of office (2013-2015) shall also be composed of seven members.

In the period from 1 January 2013 to 3 April 2013, the Supervisory Board was composed of the following seven members:

1. Roberto Mengucci – Chairman,
2. Aleksander Galos – Vice-Chairman,
3. Michelangelo Damasco – Secretary,
4. Nicolo Caffo,
5. Stefano Cusmai,
6. Costantino Ivoi,
7. Tadeusz Włudyka.

On 3 April 2013, the General Meeting of Stalexport Autostrady appointed the following Supervisory Board for the 8th term of office:

1. Roberto Mengucci,
2. Aleksander Galos,
3. Michelangelo Damasco,
4. Nicolo Caffo,
5. Pietro La Barbera,
6. Costantino Ivoi,
7. Tadeusz Włudyka.

The Supervisory Board of the above line-up functioned until the end of the reporting period (and as at the date of this Report).

Aleksander Galos and Tadeusz Włudyka meet the criteria of independent members.

On 5 July 2013, the Supervisory Board had the following composition:

1. Roberto Mengucci – Chairman,
2. Aleksander Galos – Vice-Chairman,
3. Michelangelo Damasco – Secretary.

On the same day, acting pursuant to § 25(2) of the Regulations of the Supervisory Board of Stalexport Autostrady and pursuant to Good Practices of the Companies Listed on GPW, including especially good practices for members of Supervisory Boards, the Supervisory Board appointed the Audit Committee and Remuneration Committee out of the Supervisory Board members.

As at the date of this Report, the Supervisory Board's committees had the following composition:

Remuneration Committee:

- Roberto Mengucci – Chairman,
- Aleksander Galos,
- Costantino Ivoi,
- Tadeusz Włudyka.

Audit Committee:

- Costantino Ivoi – Chairman,

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- Aleksander Galos,
- Michelangelo Damasco.

The Supervisory Board acts pursuant to the law, including the Polish Code of Commercial Partnerships and Companies and the Statutes adopted by GM. Moreover, pursuant to the Company's Statutes, the Supervisory Board adopted its Regulations defining the course of proceedings. These Regulations form **Enclosure No. 4** to this Report and are also available on the corporate website of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

The Supervisory Board's committees act pursuant to the Regulations adopted by the Supervisory Board. These Regulations form Enclosures to the Regulations of the Supervisory Board. They are also available on the corporate website of the Company ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

**(iii) Proxies**

Pursuant to Article 371 § 4 of the Polish Code of Commercial Partnerships and Companies, proxies are appointed by the Management Board. In the reporting period there were no proxies in the Company.